

Report to: **GMPF LOCAL PENSION BOARD**

Date: 26 September 2019

Reporting Officer: Sandra Stewart, Director of Pensions
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Subject: **LOCAL BOARD TERMS OF REFERENCE**

The terms of Reference for the Local Board require periodic review by the Administering Authority and the Administering Authority has sought the views of the Local Board as part of this review.

As part of the most recent review a plan was proposed for limiting Board members to 2 consecutive terms of office and staggering the terms of office of Board members to ensure continuity and retention of skills and experience.

These proposals were subsequently sent to relevant stakeholders for consultation. This report summarises the feedback received and proposed a final plan for recommendation to the Administering Authority.

Recommendations: That the Board supports the proposals set out in the report.

Policy Implications: None.

Financial Implications: None.

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

Legal Implications: The responsibilities of local boards in the LGPS are set out in the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015.

(Authorised by the Solicitor to the Fund)

The 2015 Governance Regulations require employer and member representatives to have the 'capacity' to represent employers and members respectively. Board members are also required to acquire appropriate 'knowledge and understanding' of pension matters, under the Pensions Act 2004.

Risk Management: The purpose of the Local Board is to oversee compliance type activities and to support effective and efficient governance of the Fund. Thus its role is likely to focus on mitigating risks.

Access to Information: **NON-CONFIDENTIAL**

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Information: The background papers relating to this report can be inspected by contacting Euan Miller



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1. INTRODUCTION

- 1.1 The Terms of Reference for the Local Board require periodic review by the Administering Authority and the Administering Authority has sought the views of the Local Board as part of this review. The Terms of Reference were initially adopted in February 2015 and last revised in July 2015. The 2015 Terms of Reference are attached as **Appendix 1** to this report.
- 1.2 Proposals to update the Terms of Reference were presented to the Local Pension Board at its 9 August 2018 meeting, with particular focus on developing terms of office for Board members which ensure continuity and retention of knowledge and skills. The August 2018 report is attached as **Appendix 2** for information.
- 1.3 The proposals suggested by the Local Board were subsequently sent to the NW TUC (who co-ordinate the appointment of employee representatives – excluding the Pensioner Member Representative) for comment. This report sets out feedback received and proposes a final plan for recommendation to the Administering Authority.
- 1.4 Board members may wish to refer to guidance on establishing and operating Local Pension Boards issued by the LGPS Scheme Advisory Board in 2015. This is available on the link below:

http://lgpsboard.org/images/Guidance/LGPS_Board_Guidance_FINAL_PUBLISHEDv1%201clean.pdf

2. BACKGROUND

- 2.1 To allow it to be established expediently, the GMPF Local Board was initially comprised of 2 employer representatives and 2 employee representatives ('2+2' - there is a requirement for equal numbers of each).
- 2.2 This was increased soon after establishment to '4+4' and then to '5+5' with the addition of the pensioner representative and the representative of non-local authority employers.
- 2.3 The current process for allocating seats on the Board is set out in paragraphs 5 to 13 of the Terms of Reference.
- 2.4 It was proposed in August 2018 that the Board remains at 10 members, with the same composition and method of appointment as at present, and that individual terms of office are set at 4 years, with Board members serving no more than 2 consecutive terms of office. Further, that in order to best maintain the knowledge and experience of the Board it was proposed that the conclusion of the existing terms of office are staggered over a 4 year period, with either 2 or 3 Board members' terms of office concluding each year.
- 2.5 The report presented on 9 August 2018 stipulated that the Administering Authority would write to the North West Trade Union Congress ('NW TUC') to input on the expiry of the terms of office for each of the employee representatives in accordance with the following plan:

Date	Board members with concluding term of office		
May 2019	Pensioner representative (automatically renew)	Representative of non-local government employers (automatically renew)	Representative of GM Treasurers

May 2020	Tameside MBC representative	Employee representative	
May 2021	Representative of GM Monitoring Officers	Employee representative	Employee representative
May 2022	Tameside MBC representative	Employee representative	

- 2.6 NW TUC has indicated it is comfortable with the proposals whilst noting that the proposals were not clear as to when the initial term of office for original Board Members should end and the second term start.
- 2.7 For the avoidance of doubt it is proposed that the second term of office for original board members starts from the dates shown on the table above. This will help maintain expertise within the Board.
- 2.8 The re-appointment of the representative of non-local government employers and the pensioner representative took place in May 2019. The representative of the GM Treasurers changed in May 2019 from Richard Paver to Michael Cullen. These appointments were in accordance with the original proposals.

3. RECOMMENDATIONS

- 3.1 As set out at the front of the report.